VZCZCXRO3393 RR RUEHCN RUEHDT RUEHGH RUEHHM RUEHNH RUEHVC DE RUEHCHI #0127 1970916 ZNY CCCCC ZZH R 160916Z JUL 07 FM AMCONSUL CHIANG MAI TO RUEHC/SECSTATE WASHDC 0521 INFO RUCNASE/ASEAN MEMBER COLLECTIVE RUEHBS/USEU BRUSSELS 0007 RUEHCHI/AMCONSUL CHIANG MAI 0570 RUEHOO/CHINA POSTS COLLECTIVE RUEAIIA/CIA WASHDC RUEHGV/USMISSION GENEVA 0025 RUEHCI/AMCONSUL KOLKATA 0015 RUEHNE/AMEMBASSY NEW DELHI 0014 RHEHAAA/NSC WASHINGTON DC RUEKJCS/OSD WASHINGTON DC RUEHKO/AMEMBASSY TOKYO 0022 RUCNDT/USMISSION USUN NEW YORK 0017 RUEHMO/AMEMBASSY MOSCOW 0006

C O N F I D E N T I A L CHIANG MAI 000127

SIPDIS

SIPDIS

E.O. 12958: DECL: 7/16/2017

TAGS: PREL EINV TH BM

SUBJECT: BURMESE EXILES FRET OVER SUPPOSED WEAKENING SUPPORT FOR SANCTIONS

DIMCTIOND

CLASSIFIED BY: John Spykerman, Political Officer, CG Chiang Mai, Department of State. REASON: 1.4 (d)

- 11. (C) Exile Burmese leaders in northern Thailand have approached ConGen staff in the past few weeks to voice concern that the U.S. might retreat from its current sanctions policy on Burma. Several prominent leaders have told PolOff they interpret recent comments by influential figures in the U.S. media voicing skepticism over the effectiveness or morality of sanctions as a sign that USG support for the sanctions is in danger of collapsing. This interpretation comes on the heels of other comments by exiles here that sanctions are losing popularity among some areas of the general populace in Burma, fueling their worries of a growing opinion divide between pro-democracy activists on the outside and those in Burma.
- 12. (C) Aung Zaw, editor of The Irrawaddy magazine, said the fate of U.S. sanctions was now one of the hottest topics among Burmese activists and the Irrawaddy's readership in recent weeks. Some exiles, including members of the National Council for the Union of Burma (NCUB) and Ethnic Nationalities Council (ENC), have asked PolOff whether the debate in the U.S. media was a sign that USG officials were having second thoughts. Other Burmese political activists have raised the issue with some concern during regular meetings with ConGen staff. They fear that impatience with sanctions or the possible benefits to China, India, and Russia of investing in Burma have begun to change opinions in Washington and Europe.
- 13. (C) In addition to reading the tea leaves of U.S. media commentaries, activists on the outside are fretting over the growing unpopularity with sanctions among their contacts inside Burma. One ethnic Chin leader now studying in Canada and Chiang Mai, a strong supporter of sanctions himself, said a recent trip to his home village stirred up bitter emotions, as he debated sanctions policy with his former neighbors, many of whom felt that exiles were hypocritical to demand economic sanctions on a country they had left behind. If he felt so strongly about restricting economic investment in Burma, his friends told him, he should try living with the consequences. Other Burmese leaders in northern Thailand report feeling similar heat. The growing opinion divide is a significant concern, as exile organizations' continued allegiance to sanctions risks alienating those whose support they depend on for legitimacy as

leaders in the pro-democracy movement.

- 14. (C) Very few exiles based in northern Thailand are in favor of weakening the current sanctions regime. The pro-sanctions group ranges from those like the NCUB and Karen National Union (KNU) who see themselves having a future political role in a democratic Burma to organizations running humanitarian networks, such as the Karen Women's Organization (KWO) and Shan Women's Action Network (SWAN). Even organizations whose membership includes those who recently left Burma, such as the Assistance Association for Political Prisoners (AAPP), strongly back continued sanctions.
- 15. (C) COMMENT: Despite their uniform support for sanctions, many Burmese in Thailand have taken note of a possible change in mood outside of their circles and they are troubled by the potential consequences. Exile organizations say they have gone back to contacts inside Burma with the message that continuing economic troubles are the result of the junta's actions and not U.S. or European sanctions. However, many confide that this is an increasingly ineffective message for their countrymen to accept when delivered by exiles.

CAMP